

7/20/2022

Re: Case #: 22-10964 (MG) Celsius Network
Southern District of New York

To: Honorable Martin Glenn,

I am a Celsius client with digital assets in Custody accounts, held by Celsius. I also have a current loan from Celsius with a loan to value rate of 25% (75% collateral held). The loan principal payment is due in mid-September of this year per contract.

First: Custody. The terms of Celsius *Custody* accounts are clearly stated up front in their “Terms of Use” documents. These terms were displayed in court proceedings, page 7 of the Affidavit. To me, Custody means that I am the custodian of my property and have legal title to it. Celsius is clearly in violation of the law, as well as of its own stated terms. Is this not - outright theft?

It is also important to note that, from the “Consolidated Assets and Liabilities” statement as of July 13, 2022, custody accounts show a net zero balance and are a much smaller portion of the overall summary. I hope that this is a just equitable priority focus for key stakeholders involved and the court. It would be far too easy for those with less concrete “property stake” in the future court proceedings to want to use the assets in custody for their own gain. Those who have direct un-leveraged ownership of property should have priority privilege to liquidate and transfer their property. Trust is the bedrock of all civil and social order. I trusted Celsius with my property and they have abused that trust. Respectfully, I should not have to suffer because of their folly.

Second: Loan Contract & Frozen Assets. I have a contract with Celsius for a loan (in USD) that I over-collateralized at a ratio of 4:1.... 4 times the amount of collateral for 1 part loan, to secure a lower interest rate. It does not seem fair and binding that this agreement could be liquidated to suddenly serve the financial needs of “extreme market conditions” brought on by Celsius’ obvious reckless, cavalier management of assets. I should have the opportunity to make appropriate fund transfers (all held by Celsius) to pay off the loan principle in kind (my collateral, BTC).... This was the agreement. However, because ALL my assets held with Celsius are frozen, hostage, it leaves me with no options that I can trust. They have seized everything.

I sincerely hope that you will consider the different account types and legal terms and contracts put forth by Celsius and the rest of us as clients.

I appreciate your time and effort in this regard.

Respectfully,
Chris Hinrichs

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